

SPEECH

OF

MR. WRIGHT, OF NEW YORK,

ON THE

MOTION OF MR. WEBSTER

FOR

**LEAVE TO BRING IN A BILL FOR PROLONGING THE CHARTER OF THE
BANK OF THE UNITED STATES;**

DELIVERED IN THE

SENATE OF THE UNITED STATES,

MARCH 20, 1834.

CITY OF WASHINGTON:

PRINTED BY FRANCIS PRESTON BLAIR.

1834.

SPEECH OF MR. WRIGHT,

OF NEW YORK.

In Senate, March 20th, 1834.—The question being upon granting leave to Mr. WEBSTER to introduce into the Senate a bill to recharter, for the term of six years, the Bank of the United States, with modifications.

Mr. WRIGHT said, it was not his purpose to enter into a discussion of the great principles involved in the passage of the bill upon the table. His object in obtaining the floor, upon a former day, had been to reply to some things which had fallen from the honorable Senator from Virginia, (Mr. Leigh,) and to notice a few remarks made by the honorable Chairman of the Committee of Finance, (Mr. Webster,) when he offered the bill. He must, he said, however, be permitted to congratulate himself that the Senate had now reached what he had, from the commencement of the session, considered the true question before Congress and the country; the question of "bank or no bank;" the question whether the present Bank of the U. States should be rechartered for any period of time, or whether any National Bank should be created by the authority of Congress, after the expiration of the charter of the present bank. These questions, he considered, must be involved in the present discussion; and he must be permitted farther to congratulate himself that, as to the constitutional power of Congress to pass the bill now under consideration, or any bill to charter a bank similar to that now existing, the opinions of the honorable Senator from Virginia, (Mr. Leigh,) and his own perfectly coincided. The honorable Senator did not believe, nor did he himself believe, that Congress possessed any such power, and therefore, so far as their action was concerned, no such bank could exist after the year 1836, when the charter of the present bank will expire by its own limitation.

Mr. W. said he would not attempt to repeat the arguments which the honorable Senator had so happily used, in his clear and strong manner, to establish the correctness of their opinions. Any attempt by him to do so might weaken what had been so well and so concisely said by the Senator, but he would detain the Senate to add one view of this subject, which had not been taken by the honorable Senator, and which had struck his mind with great force. Upon all former occasions, when the power of Congress to charter a bank had been under discussion, reference had been made to that clause of the constitution which reads in the following words:

"The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing

powers, and all other powers vested by this constitution in the government of the United States, or in any department or officer thereof."

All, Mr. W. said, as he understood, had formerly argued that this *necessity* must be shown before the power could be inferred, and he had also understood that all had admitted that this *constitutional necessity* must be a necessity growing out of the wants of the Government, and not out of the wants of business; that it must be a necessity arising from the collection, distribution, and disbursement of the public revenues, not out of the wants of the commercial interests, the mercantile interests, the manufacturing interests, or any other branch of labor and enterprise; that it must be a necessity growing out of the wants of the public treasury and the administration of the finances of the country, and not out of the wants of the individual citizens. What, Mr. President, said Mr. W. have we heard urged as constituting this necessity, in the whole course of this debate, in all the various shapes and forms in which it has been carried on in this body for now about four months? The wants of ordinary business, the demand for capital, the regulation of exchanges, the importance of a uniform paper currency; not the wants of the treasury. These last, sir, have not been mentioned in the comparison, while the former are made the indisputable evidence that a bank is *necessary*. Sir, said Mr. W., the wants of the Treasury, and the wants of the Treasury alone, can constitute this *constitutional necessity*. The wants of business cannot be the legitimate subjects of consideration for those who seek to derive the power to charter a bank from this provision of the Constitution. He said he was one of those who did not believe that any power, whatever, was granted to Congress by this provision, much less the power to charter a bank; but he must believe that those, who did imply such a power from it, would, at least, admit the *necessity* must be such an one as the Constitution contemplated, and that the Constitution could not have contemplated any other than a *necessity* connected with the collection, distribution, and disbursement of the revenues of the Government, not the ordinary necessities of trade and exchange. These last were the wants which gentlemen feared the State banks could not supply, though they were willing to engage to collect and distribute the public moneys upon the same terms that the United States Bank had done it. He begged the Senate to look at this view of the case before they permitted a necessity imaginary or real, unknown to the Constitution to influence their action.

But, said Mr. W. the honorable Senator and my

self have no difficulties of this sort to contend with. To our minds it is clear that the power to pass this bill is not granted by the constitution. Having come to this conclusion, the honorable Senator inquires, in his impressive manner, if the present disposition of the public deposits with the State Banks, is to be continued? Sir, said Mr. W. I will avail myself of a privilege belonging to my countrymen, the Yankees, and answer the gentleman by asking him a question. What disposition will he propose to make of these deposits? What plan will he recommend for their future disposition? We agree that the charter of the Bank of the United States is unconstitutional, and it cannot therefore be extended beyond its present limit. I say that, in the absence of such an institution, the State Banks present to the Government the best and most convenient fiscal agents of which the nature of the case is susceptible. I have said upon a former occasion, and I repeat, that I think them perfectly safe agents. I have said, and I repeat, that I think them fully competent to discharge all the duties required by the Government in the collection and disbursement of the public revenues; fully competent to answer every *constitutional necessity* of the Treasury. I now say further, that I am not alarmed at the power which is placed by law in the hands of the President and the Secretary of the Treasury, over these deposits. It is the same power which was placed by Congress in the hands of the first President and first Secretary of the Treasury, at the formation of the Government under the constitution; it is the same power which existed in the hands of those officers from 1789 up to the year 1816, when the charter of the present Bank was granted. During all that period, the liberties of the country were not endangered by it; the people were not then taught to believe that the exercise of that power was usurpation or tyranny. No danger was then seen or apprehended, nor were we told that the purse and the sword of the country were united in one hand. Sir, said Mr. W. these laws have undergone no material alteration from the time of the first Congress to the present day, except the alteration made by the provisions of the present Bank charter, and these alterations cease to be applicable when the deposits cease to be made with that institution. Where then is the ground for all this alarm, all this apprehension for our liberties? Still the honorable Senator expresses, no doubt most sincerely, the greatest apprehension. Will he not then tell us what is to be done? Will he not propose what, in his judgment, shall avert the dangers he fears? Sir, I wish to be distinctly understood upon this point. I do not contend that these laws may not be beneficially amended, but I merely say that they are just what they have been from the organization of the Government, with the single exception I have before mentioned, contained in the Bank charter. If they are bad, alter and amend them. If the powers over the public deposits, conferred upon the Executive Department, are too broad, limit and confine them. No one doubts or questions the power of Congress over the whole matter: no one resists the action of Congress upon it. Surely, then, it

does not become us to find fault with the executive officers of the Government for executing the laws as they are, while we do nothing to modify the law, and make it what we would wish it to be. Our duty, as legislators, is not to point out the defects in the laws merely, but to apply the proper remedies for those defects; to examine the laws as they are, that we may make them what they ought to be; not to spend our time in deploring those defects for which we offer no remedy. Sir, said Mr. W., I have not allowed myself time to make such an examination of the laws of Congress as enables me to say whether any, and what, alterations are required in those relating to the Treasury Department, and the management and disposition of the public deposits. That changes for the better may be made, is more than probable, and I declare myself ready, at any period, to act upon propositions having this for their object, come from what source they may. I am sure, however, gentlemen will see that Congress should discharge its duty, before we are at liberty to complain of the laws as they are. Mr. President, said Mr. W., we all know, and know well, that it is easy to find fault; that it is easy to complain of existing evils, when it may be very difficult to propose remedies which will even suit ourselves, and much more difficult to propose those which will meet the approbation of Congress. I have said that I am not prepared to make propositions, and I venture the prediction to the honorable Senator, that he, and those gentlemen who, with him, are so deeply dissatisfied with the existing law, will find it much more difficult to legislate upon this subject in a safe and proper manner than they now seem to suppose, and that they will find the changes which can be beneficially made in the existing laws, much less extensive than they, by their complaints, would indicate. Still, sir, I repeat, gentlemen should turn their attention to this subject. If we are to have no Bank of the United States, some disposition must be made of the public deposits. I say, place them in the State Banks; but if, as the remarks of many honorable Senators would seem to indicate, the State Banks are not to be used, they are surely bound to inform us what disposition they intend to make of them. I am aware, Mr. President, that these remarks address themselves less appropriately to those Senators who believe we ought to have a National Bank, and propose such an institution as their remedy for the evils of which they complain, than to those who, with the honorable Senator from Virginia and myself, believe that the Constitution does not give us the power to charter such a Bank, and that, therefore, it is a remedy beyond our reach; but, sir, these are considerations which should address themselves to the serious reflections of all. They are considerations connected with our duties as legislators, and in reference to which it is now most likely we shall be soon called to act.

Mr. W. said the honorable Senator from Virginia (Mr. Leigh) had told us that the present year might throw new lights upon this subject, and might develop in his own State, at least, a new condition of public feeling in reference to the recharter of the Bank. The State of Virginia,

he said, might see that the present Bank was to be destroyed merely to make room for another national Bank, in a greater degree subject to executive influence, and located in the city of N. York. Well, sir, said Mr. W. what then? Suppose Virginia does so see (which I think she will not) what can be the effect upon her action? She has pronounced the charter of the present Bank unconstitutional, and she must, therefore, be held to have pronounced its recharter, or the chartering of any similar Bank, wherever located, equally unconstitutional. Will she then call upon her representatives here to vote for a law, which she declares to be a violation of the constitution, to prevent a change in the location of a national Bank? No, sir. With all deference, I say the people of Virginia do not change their constitutional opinions for such reasons, or govern their constitutional action by such motives. She will not give her voice for a Bank, which she believes to be unconstitutional, to secure its location, or to prevent its location any where.

But again, the honorable Senator says, the State of Virginia may see that the State Banks are to be continued as the fiscal agents of the Treasury, and that, in that event, the control of the exchanges, and to some extent, of the currency of the country, must pass to the city of New York. He assigns as the grounds of this opinion, that the position of New York, its natural advantages and great capital, have hitherto forced a large portion of the foreign trade of the country to center at that point; that this will continue to be the course of that trade; and that, therefore, commercial men in all parts of the country must have money current in New York to carry on their operations. Sir, said Mr. W. I neither affirm nor deny the gentleman's positions. But for the sake of the argument, suppose them to be well taken, and does he believe that the State of Virginia will invoke the aid of the legislation of Congress, and that too by the passage of a law which she herself believes to be unconstitutional, to deprive the city of New York of the advantages which nature has given it? To deprive it of the advantages which the enterprise and industry of its citizens have acquired for it? Does the Senator believe it possible that the State of Virginia will call upon her Representatives here, or elsewhere, to vote to recharter a bank which she has solemnly pronounced to be an institution existing in violation of the Constitution, for the mere purpose of forcing out of New York the regulation of the exchanges of the country? Sir, the Senator himself does not so intend. He told us, in the course of his remarks, that he rejoiced at the prosperity of every State in the Union, and entertained not the least invidious feeling towards any. It must be, therefore, either that I have misapprehended the force of the remarks of the honorable Senator, or that he did not sufficiently develop his ideas to give us their true bearing. I can never believe, that the State of Virginia will ever seek to do injustice to a sister State; I am sure she will never do what she pronounces a violation of the Constitution of the country to effect such an object.

The honorable gentleman proceeds, again, to say that the State of Virginia may see, in the

course of this year, that the confederacy cannot sustain the destruction of this bank; that its destruction may involve the dissolution of this Union. He refers to the territorial distribution of the debts due to the Bank, and intimates that much the largest portion of that debt is due from citizens of the Western States; and then, in that impressive language in which every thing reaches us coming from the honorable gentleman, he asks, will these citizens consent to have their houses sold from them and themselves and their families to be reduced to poverty and want, for the sake of the destruction of the bank? It is not my purpose, Mr. President, said Mr. W., to speak of the pecuniary condition of the citizens of the Western States. My information does not enable me so to speak. One thing, however, I do know, sir, and am most happy to be able to say, that no portion of the citizens of this Republic have, heretofore, and up to this period, been more patriotic, more devoted, more disinterestedly devoted, to the safety and perpetuity of our civil institutions, and to the integrity of our Union, than the citizens of the West; none have more willingly or more severely suffered to secure these objects than they have. I doubt not that the same spirit and patriotism still prevail among them; and while I know not the extent of their indebtedness, or their means of payment, I hope and believe they have not arrived at that state, when the power of a creditor moneyed corporation is paramount with them to their attachment to the constitution and laws of their country.

But, sir, the effect upon the action of Virginia is the question I propose to consider. Will that patriotic State instruct her Senators to vote for a law which she has adjudged a violation of the Constitution, because the debtors of a bank, created by an unconstitutional law, cannot discharge that indebtedness? Will the State of Virginia admit that a Bank of the United States, with a charter not authorized by the Constitution, and with seventeen years of life only, has the power to destroy the confederacy of the States, and dismember the Union, and then, by her own voice and action, give that bank further life and further power? I cannot think so, and I am convinced, if the honorable Senator (Mr. Leigh) reviews the tendency of his remarks and conclusions, and the important results which may follow the decision of the question now before us, he will not, he cannot, feel that indifference as to the action of Congress upon the bill now under consideration to recharter the Bank, which I understood him to express, when giving his sentiments to the Senate.

Mr. W. said, the honorable Senator had, for the second time, alluded to the subject of the transfer drafts, with which he had, upon both occasions, coupled the transactions of the Post Office Department; and in that way he had presented to the Senate, with his characteristic clearness and force, a case of mismanagement of the public funds, which, upon the Senator's first exhibition of it, had perceptibly an effect upon all sides of the house. The Secretary of the Treasury, as the head of one of the Executive Departments of the Government, had been presented to us lending money from the public Treasury gratuitously,

and without interest, to the State Banks, to enable them to sustain themselves; while the Postmaster General had been brought in, upon the other hand, as the head of another of these Executive Departments, borrowing money for the use of the Government, and paying an interest of six per cent. for the loans so made. Upon this presentation of the case, and especially with the vivid coloring which the honorable Senator imparted to it, he, Mr. W., was ready to admit that attention was justly excited. He had therefore taken some pains to inform himself as to the facts, and he would attempt to give them to the Senate in an intelligible form, and leave to the judgment of the body, the degree of blame which should be considered fairly imputable any where, from the transactions. The first and great error in the gentleman's case, was the connexion of the Post Office with the Treasury Department. If he had taken the trouble to examine the subject, he would have found that the Sec'y of the Treasury could no more pay money from the public Treasury to answer the wants of the Post Office Department, without the authority of a law of Congress, than he could pay money for the wants of the private business of the honorable Senator or himself. If he had examined the laws of Congress upon the subject, he would have found that no appropriation of money from the public Treasury for the use of the Post Office Department existed, which had not been promptly and fully paid. The idea, therefore, that the Secretary of the Treasury might have taken the money on deposit in the Bank of the United States, to the credit of the Treasurer of the United States, and appropriated it to the wants of the Post Office Department, is fallacious and deceptive. Without a direct and palpable violation of the law, and of his official powers and duties, he could not have made any such disposition of these moneys; and surely, at this time, when the Secretary of the Treasury is so broadly accused of constitutional as well as legal violations, the gentlemen who make the accusations will not be disposed to censure him for not having violated the law in this instance. Mr. W. said he did not intend, by any expression he had made, or might make, to convey the most distant impression that the honorable Senator had designedly conveyed an erroneous impression as to the relations between these two departments of the Government. Considering both as equally public interests, he had, undoubtedly, omitted to turn his attention to the want of legal authority to make the payments which the import of his remarks went to show ought to have been made from the moneys remaining in the Treasury. It will be seen, however, said Mr. W. that the imaginary connexion between these two departments, which gave to the Senator's relation the most point, as an instance of Executive mismanagement, has no legal existence whatever, and therefore we have the Post Office Department, and its management and administration, wholly separated from the operations of the Treasury. How then stands the loans to the State Banks of which the honorable Senator speaks. On the first of October last, the Secretary of the Treasury came to the conclusion to change the depo-

site of the public moneys, thereafter to be received, from the Bank of the United States and its branches, to various State Banks which had been selected by him for that purpose. He was aware that, in consequence of the deposits having been previously made in the Bank of the United States and its branches, large balances must have accrued in favor of the deposit bank and branches against the State banks, in the principal commercial cities, because the revenue, collected in those cities, must have been paid by the whole trading population, who must derive their means of payment from all the banks, while those means, applied to those payments, must go into the single bank or branch in which the public moneys were kept: he was further apprehensive that the United States Bank would assume a hostile attitude towards the banks which should consent to receive the deposits of the public moneys in lieu of that institution, and would call for any balances which might exist in its favor against any of those banks, and would require the payment in specie, before time would be allowed for the banks to receive any benefit from the deposits: he also knew that, by a law of Congress, the public revenue was payable in the bills of the Bank of the United States and its branches, while those bills could not be converted into specie, in case the bank should choose not to redeem them at the points where they should be received, except by causing them to be presented at the bank, or office, which issued them, or where, upon their face, they might be made payable: he also knew that, by an order of his department, a certain description of paper put into circulation by the bank and its branches, and known by the appellation of "Bank Drafts," but which Mr. W. said he believed the highest court in the country had decided were neither "bills" nor "notes" of the bank, were made receivable in payment of the revenue, which drafts, if the bank should refuse to receive them as money, at the place where taken in payment, could not be converted into specie, or even into bills of the bank, but by presentment at the bank or office upon which they were drawn. The knowledge of these facts showed the Secretary that, should the bank be thus disposed, it could exert a double power of injury against the State institutions which were to take the deposits, by instantly calling for the payment in coin of any balances in its favor, and by refusing to take in payment of these balances the notes and drafts of the bank itself not made payable at the bank or branch where the payment was to be made. In this way, and by this double power of oppression, the State institutions might be severely injured, and perhaps ruined, and that too, when the balance to be paid had accrued solely from the payments towards the public revenue, and when the notes and drafts, refused in payment, had also been received in collections of the public revenue. To guard against this contingency, the Secretary gave to a few of the banks in the large cities, the transfer drafts in question, which drafts were made upon the United States bank, or the branch at the point where the oppression was

apprehended, and in favor of the State bank upon which it was anticipated the attempt might be made. In all cases precise instructions were given that the drafts should be returned to the department, without presentment, unless the balance before spoken of should be hastily demanded in coin, or unless the bank, or branch at the point, should refuse the notes of other branches, or the branch drafts, as money; but in either of those contingencies the drafts were to be presented, and the amount, taken from the public money left with the bank or branch, was to be transferred to the State bank and passed to the credit of the public treasury there. The honorable Senator has selected the Manhattan Bank of New York to illustrate the abuse he supposed to exist. In that case the balance was demanded and the notes of other branches of the bank, and the branch drafts were refused to be received in payment, or passed to the credit of the bank offering them; the draft from the department was presented and paid, and soon after the bank changed its course and consented to receive all its notes and drafts, which should be taken in payment of the public revenue as money. Some of the other drafts were presented, and others were returned to the department without presentment. These are the facts as to what the honorable Senator has so significantly termed *loans* to the State banks. How far they deserve that appellation, Mr. W. said he would most cheerfully leave it to the Senate and the public to judge. But, says the honorable Senator, the *loans* were made without interest. Has the honorable gentleman overlooked the fact that the money was standing to the credit of the Treasurer in the bank of the United States without interest; that the transaction was a mere transfer of the amount of the draft from the credit of the Treasurer, without interest, in one bank, to the credit of the Treasurer, without interest, in another bank; that the draft did not take one dollar from the Treasury; that the money, when placed to the credit of the Treasurer in the State bank, was no more a loan to it, than when standing to the credit of the Treasurer in the Bank of the United States, it was a loan to it; and that, in either situation, the amount was equally subject to the drafts of the Treasurer at pleasure.

I am bound, said Mr. W. to give to the honorable Senator from Virginia my unfeigned thanks for according to me sincerity in the declaration, made on a former day, that my opposition to the Bank of the United States did not proceed from a desire to transfer the location of that institution to my own State. I at the same time expressed my most firm conviction that the opposition of that State proceeded from no such motive. Sir, said Mr. W. I was sincere in both declarations. The republicans of New York do not oppose this great moneyed power upon the narrow ground of selfish or local interest, much less from a desire to transfer its influence within the limits of their own State. Their opposition proceeds from higher motives and is maintained for nobler purposes. They believe it to be a power dangerous to the government; dangerous to the purity of our institutions; and dangerous to the liberties of the people. Many of them believe it to be a power un-

known to the constitution, while others believe the constitutional power to create it may exist, but that it is a power which ought not to be called into exercise. Experience, which is claimed here to prove the necessity of such a Bank, has proved to them that such an institution ought not to exist in a free country, and their resistance to its recharter is based upon these high grounds of principle, and not upon any consideration of personal or local interest. The honorable gentleman's apprehensions, therefore, that this Bank is to be destroyed merely to make room for another, similar or more powerful, to be located in New York, are without foundation.

Mr. President, said Mr. W. am I required to adduce proof of this assertion? I need not better than the memorials from New York, almost daily laid before you, and nearly without an exception, if coming from the opponents of the administration, praying for the recharter of the present Bank. It is a fact, which does not admit of contradiction, that there is not, at this moment, in this Union, not even in the city of Philadelphia itself, a body of men more earnest, more active, and more untiring in their efforts to effect a recharter of the present Bank, with its present location, than a large portion of the merchants and business men of the city of New York. The honorable Senator has told us that New York desires the regulation of the exchanges of the country, that her citizens may profit from the purchase and sale of bills. Sir, a very large proportion of the individuals to whom this position of the gentleman would apply, in case those who best understood the subject thought it applicable: a very large proportion of the exchange brokers and great money dealers of New York, are foremost in the cause of the present Bank, and are using their utmost exertions to produce a recharter. Need I stronger evidence to show that no concerted local movement, nor any perceptible local interest, is governing the course of that State upon this great question?

Mr. W. said he must now detain the Senate, while he very briefly replied to a few of the remarks of the honorable Senator from Massachusetts (Mr. Webster) made upon the presentation of the bill to the Senate. And first, the honorable gentleman had stated that the safety fund banks of New York were under the supervision of a political commission appointed by the Government. He, Mr. W., must express his profound regret, that he should so often meet with statements upon this floor, in relation to the safety fund banks of New York, which were erroneous in fact and in conclusion, because gentlemen had not made themselves acquainted with the laws of that State regulating those Banks. He had hoped that this would not have been the case with the honorable Senator from Mass., but that he would have made himself familiar with that safety fund system, before he made it the subject of remark here, and certainly before he passed sentence upon it as a political system. He had not done so, however, as was evident from the remark above referred to. The Bank Commissioners of the State of New York, are three in number, and they are the officers whose duty it is to supervise the Banks

subject to the safety fund law. So far from being a political commission, appointed by the Government of that State, as the honorable Senator has supposed, but one of the three commissioners is so appointed, and the remaining two are appointed by the Banks themselves. The one is appointed upon the nomination of the Governor, and by the advice and consent of the Senate of the State, as officers of this Government are appointed by the President and Senate; and this commissioner may be considered as more especially the representative of the State, and of the public interests in the board of commissioners. The State is divided into two districts for the appointment of the other two commissioners, and each is appointed by the Banks of his district—every Bank voting upon a uniform rule, according to the amount of its capital stock. These commissioners, thus appointed, are the exclusive representatives of the Banks themselves, though the law makes no discrimination as to the powers and duties of the different members of the board. This is the true constitution and mode of appointment of that commission, which the honorable Senator has denominated ‘a political commission appointed by the Government.’ Sir, his mistake must have proceeded from his inattention to the law of which he was speaking, for he did not intend to produce an erroneous impression as to the character of these officers. He may, if he chooses, consider the commissioner appointed by the State a political officer. I will not occupy the time of the Senate to point out the injustice of such a conclusion, because when I find that officer guarded upon each side by an officer of equal powers, and charged with the same duties, and deriving, in both cases, their official character from the Banks themselves, I sufficiently divest the Board of the political character which the gentleman has ascribed to it. I cannot be mistaken in this conclusion, unless the honorable Senator shall contend that the Banks select politicians as their representatives in the commission. If such be the ground he intends to assume, I can tell him, if the position were established, he, and not myself, would have occasion for joy that the commission was made political. It is a fact, Mr. President, which no one acquainted with the subject will deny, that a very large majority, I doubt not full two-thirds, of all the stocks of all the safety fund Banks in the State of New York, are owned and held by the political friends of the honorable gentleman, by persons opposed in politics to the present administration. The plain democrats of New York, sir, are not rich; they hold few stocks; they live not by Banks, but by the labor of their hands. Surely, then, if this Bank commission, constituted as I have related, two of the three commissioners deriving their appointments from the votes of the holders of the stocks of these Banks, be a political commission, it must represent the politics which the Senator himself approves, and it is not for him to complain of its character. But, Mr. President, the honorable Senator is mistaken; this commission is not a political commission; the Banks in New York are not political Banks, nor do they attempt to exert a political influence. The citizens of that State, of whatever political

party, do not invest their capital in the Banks for political purposes: they understand their interests too well to do so: they make their investments for the profit to be derived from them, and the Banks are conducted with a single view to this object. I wish, sir, I had the power to persuade honorable Senators to permit their minds to be undeceived upon this point. They lead themselves into many mistakes, upon the subject of the New York banks, by adopting this error, and reasoning from it, without a proper acquaintance with the law or the facts, from which correct opinions would be formed. The banks of New York are not political institutions. Their object is to make money, and if they can do that, and if the laws be such as to protect their rights, and to facilitate their operations directed to that object, they care not who rules, what political party triumphs, or what politician succeeds. I owe it to candor to say, Mr. President, that in former years, and before the establishment of the present system of banking in that State, I had heard of a very few instances in which banks were charged, with too much appearance of truth, of interfering in the politics of the State; but I am happy to be able to say that those instances, so far as my information extends, have been ‘few and far between;’ while I believe time has shown that every bank against which this charge was strongly supported, has turned out to be insolvent.

The honorable Senator again tells us that the representatives from New York here express great fears of the power and influence of the Bank of the United States, and asks if that State, with its league of banks, comprising together a capital of between twenty-two and twenty-three millions of dollars, has cause to fear this institution?

[Here Mr. WEBSTER explained that Mr. W. had misapprehended his remark; that he had not said that the New York banks had no cause to fear the Bank of the United States, but that his argument was, that the Senators from that State expressed great fear as to the power and influence of the Bank of the United States, with a capital of thirty-five millions of dollars, extending its operations over the whole Union; while they expressed no fear whatever of the power and influence of the sixty-nine banks of their own State, embodying an aggregate capital of more than twenty-two millions, and leagued together by legal provisions.]

Mr. Wright resumed. He said he owed it to the Senator to say, that he had misapprehended the force and direction of his remark; and he would conform his answer to his present understanding of its application. This, said Mr. W. will make it necessary for me to inquire how far the Safety-Fund Banks of New York are, in the language of the honorable Senator, leagued together, so as to be properly viewed as one consolidated moneyed power. The only common interest between them, Mr. W. said, was their obligation to contribute to a common fund, which fund was taken possession of by the State, and held for the security of the public—the bill-holders and depositors of the banks first, and for the benefit of the banks ulteriorly, in case it should not be expended on account of failures of the banks. To

what extent could this contribution be carried, because that was the measure of the league between the banks? In the first instance, to a yearly payment of one-half of one per cent. upon the amount of the capital stock of each bank, which yearly payment was to be extended over the term of six years, and to amount, in the aggregate, to three per cent. upon the aggregate capital stock of all the banks subject to the provisions of the bank fund law. These contributions were to constitute the fund, the management of which remains with the State during the continuance of the charters of the banks; but the nett annual income of which, over and above expenses, is distributed to the banks in the proportion of their respective contributions. The fund is a trust fund, for the benefit and security of all who may have demands against the banks, other than the stockholders—and the State is the trustee; but, if those demands are discharged by the banks themselves, the fund is theirs, and is to be returned to them at the close of their respective charters, according to their respective interests in it; and, in the mean time, as I have before remarked, the annual earnings of the fund, lawful expenditures from it being first deducted, are annually paid to the banks. This is the first step of the league. Now for the second. In case a bank, subject to the bank fund law, fails, and the capital of the fund be reduced by the redemption of its notes, which are made redeemable at the Treasury of the State so long as there are moneys belonging to the bank fund in the Treasury to redeem them with, then the contribution of one-half of one per cent. upon the capital stock of all the banks subject to the law again commences, and continues until all obligations against the failing bank in favor of bill holders and depositors, are fully discharged, and until the capital of the fund is again restored to an amount equal to three per cent. upon the aggregate capitals of all the banks making the contributions. This completes the liability of the New York Safety-Fund banks for each other; and this is the whole extent of all the provisions of the laws of that State creating such liability. Do they, then, deserve the appellation of "leagued banks," in the general acceptance of those terms? The contribution cannot, in any case, exceed the one-half of one per cent. per annum upon the capital stock of the Bank upon which the liability rests; there is no community of capital; no community of dividends; no community of management; for each Bank is managed by independent officers and by an independent board of directors, giving to the business of the institution, such a direction as they please without any control from, or necessary consultation with its neighboring institutions subject to the same law; nor is there any community of liabilities further than has been before mentioned, and it will be seen that nothing in those liabilities extends any community of security to the stockholders of the separate Banks, or any community of risk and hazard beyond the obligation to contribute the one-half of one per cent. upon their capital stock yearly, in case misfortunes to other institutions should make such a call necessary. Are we then to be told that this connexion between independent Banks consti-

tutes a moneyed power to be feared, as is the power of a single Bank of twelve millions greater capital, wielded by a single board of directors, by a single set of officers, and the whole force and influence of which, for any purpose, may be directed to a single object and to a single point at pleasure? Sir, said Mr. W. I do not see the analogy. The New York Banks are about seventy in number, embodying in the aggregate, less than twenty-three millions of capital; each owned separately by separate stockholders; each having separate objects and separate governments; all the inducements to healthful rivalry open to each as against all the others; with no common interest or band of union but the contingent liability to the trifling contribution before stated; a liability, to say the most, not greater than is required to restrain ruinous competition. Are these Banks such a moneyed power as to deserve a comparison with the Bank of the United States, with its thirty-five millions of capital wielded by a single hand? The republicans of New York think not, and hence they choose their own system as much the lesser evil, and seek to rid themselves and the country of the power and influence of a single institution which they consider dangerous to liberty. This is my answer to the honorable Senator's remark, that we seem to be inconsistent in professing to fear the power of the Bank of the United States, while we say nothing as to the power of our State Banks.

Mr. President, said Mr. W. it has been said here, and elsewhere, (I do not now refer to any remark of the Senator from Massachusetts,) that this contribution from the State Banks of New York might, by repeated failures, become perpetual and might dangerously weaken those institutions. Sir, said Mr. W. if I am not in error, the State of Massachusetts imposes a permanent tax upon all the banks chartered by that Commonwealth of one per cent. per annum for the support of the government. This tax is just double the contribution which can be imposed upon the safety fund banks and is perpetual without contingency; it is too a tax for the support of the State government, in which the banks can have no interest subsequent to the payment, while the contributions from the New York banks enure to the benefit of banks themselves, if a failure of some one of the institutions does not consume the fund. May I not then believe that apprehension upon this point will be no longer entertained?

The honorable Senator entered his protest against what he called the war waged by the President against the bank. I propose, Mr. President, to examine the facts in relation to this controversy, and I feel great confidence in being able to satisfy those who hear me, that this protest comes from the wrong quarter; that the protest, if one is to be made, should come from the other side. In what manner has the President of the United States waged war upon the bank? This inquiry will be answered by a reference to his various messages, but I will not trouble the Senate further than to read from a single one. I find in the annual message, communicated to Congress on the 8th day of De-

cember, 1829, the following notice of the bank:

"The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy in a measure involving such important principles, and such deep pecuniary interests, I feel that I cannot in justice to the parties interested, too soon present it to the deliberate consideration of the legislature and the People. Both the constitutionality and the expediency of the law creating this bank are well questioned by a large portion of our fellow citizens: and it must be admitted by all, that it has failed in the great end of establishing a uniform and sound currency."

This is the mention of the Bank made in the first message of the President, and what is it? Not an attempt to interfere with the chartered rights and privileges of the institution, but a timely expression of doubt as to the propriety of its recharter, conveyed in the mildest language, and proceeding from the best of motives, to wit: "to avoid the evils resulting from precipitancy in a measure involving such important principles, and such deep pecuniary interests." Was this a declaration of war against the Bank? Was it an act of hostility to that institution, thus to warn it to prepare in time for its final close? Was it wrong in the President to say, what he knew to be true, that "both the constitutionality and the expediency of the law creating this Bank are well questioned by a large portion of our fellow-citizens? Was it waging war against the Bank to question the expediency of its recharter? Sir, the Bank has chosen so to consider it, and in a publication recently made by its board of directors, the paragraph I have just read from the message of 1829 is termed an "assault" upon the Bank. Notices of a similar character, in substance, were taken of the Bank in the two following annual messages, and in 1832, when both Houses of Congress passed a bill to recharter the institution, the President refused his assent to it, and in a respectful message communicated his reasons for that refusal to this body. This is all the war he has waged against the Bank, and the honorable Senator from Kentucky, (Mr. Clay,) upon a late occasion, told us that these messages were all "non-committal" documents; that they did not even make known to Congress and the country the opinions of the President in relation to the Bank. Permit me now, Mr. President, said Mr. W., to examine the other side of this controversy. Immediately after the publication of the message of the President in December, 1829, the Bank commenced its efforts against his re-election. By its own shewing, its expenditures for the printing and distribution of matter calculated and intended to influence public opinion, commenced at that period, and were continued in an increasing ratio through that whole Presidential term. It made itself a political instrument, and acted in open and avowed hostility to the President. Who does not know, sir, that the immense sums paid for printing, were so paid for printing political matter? Who does not know that the

sage, in July, 1832, were calculated and intended to influence the elections of the coming fall? I mean no disrespect, sir, to any individual by the remark. The speeches upon that occasion could not fail to have that tendency, nor can any one doubt that they were reprinted and broadly distributed by the Bank because they were of that character. It is also abundantly shown to us that it caused to be printed and spread over the whole country, newspapers and other political publications, with a profusion never before witnessed upon a similar occasion. These were the first steps in the war waged by the Bank against the President. Upon a recent occasion, its Board of Directors have issued to the public, and laid upon our tables, a communication, in which, as if to mark the character of their hostility, they class the President of the United States with the persons who counterfeit their notes, and tell us that, as kindred subjects, they have received, and will receive, kindred treatment at the hands of the Bank? Is not this, sir, waging war against the President? And who, then, should protest? I pronounce that the war is not one waged by the President against the Bank, but a war waged by the Bank against the President, and as such, I protest against it. The country will protest against it: the People who have elected the President do and will protest against it.

The honorable Senator intimated, in the course of his remarks, that I had, upon a former occasion, made an appeal to the prejudices of the People against Banks. Sir, I have made no such appeal. I did appeal to their good sense, as applied to the information before them, in relation to the conduct of this institution, to which I have just referred; to its interference with the elections of officers of the Government; to its open and avowed political action; to its treatment of the President of their choice. I did appeal to the patriotism and love of liberty of the People against this Bank for having thus exerted its immense moneyed power to corrupt the press, endanger the safety of our free institutions, and control the Government. This appeal I did make, and I understood the honorable Senator, in the earnestness of debate, to permit himself to characterize it with the harsh appellation of a fraud. Sir, this may be the honorable gentleman's opinion, but in matters of this sort, opinion is every thing. Entertaining the opinions I entertain, it is the imperative duty of every representative of the People, here or elsewhere, to make and reiterate these appeals, not to the prejudices, but to the intelligence of our citizens; to expose the profligate conduct of this Bank; to point out the danger to our free institutions of its continued existence; and to mark the progress of its moneyed power, "withering, as with a subtle poison," that purity and truth which are the only safeguards of freedom. Sir, had I, with my opinions, made declarations from my place here, calculated to produce alarm in the public mind; to shake the confidence of the People in the public officers of their own choice; to create distrust towards the local Banks; to unsettle dependence upon the credit and currency of the country generally; and to produce a feeling of agitation and panic,

I ought not to have been surprised even if the strong charge of an attempt to practice a fraud upon the public had been made against me. Entertaining the opinions I do, were I to attempt to convince the free citizens of this republic that the country cannot get on without the aid of an immense moneyed incorporation; without the aid of a Bank large enough to control all our moneyed operations; large enough to control the Government itself; and to convince them that the continuance of their liberties are dependent upon such an institution, I should subject myself to the accusation of an attempt to lead them into error. I do not intend, Mr. President, in making these remarks, to impute any but the most honorable intentions to any member of this body, and I make them to show how very differently we view the same act; how very different our opinions are in reference to this Bank. I think the honorable Senator could not have given sufficient weight to this consideration when he spoke of the course of any individual as fraudulent towards the public. It is my design, upon this as upon all occasions, to extend to others that charity I ask for myself, and while I claim sincerity of purpose for my own language, and my own acts, I as readily accord it to those who differ with me in opinion.

Another remark of the honorable Senator appears to me to deserve a similar reply. He told us, in his usual emphatic manner, when speaking of appeals to the people, that he knew such appeals, sometimes, made little men great, but that great men never resorted to such expedients. I have before remarked, that opinion; in matters of this sort, is every thing. Now, without the least design to impute to the honorable member any motive which is not strictly pure, I must be permitted to say to him, that too ardent a friendship for an institution, such as I, in my conscience, believe the Bank of the United States to be, may not make great men greater.

The honorable Senator urges that this Bank, having been chartered, and having incorporated itself and its transactions with the business of the country, ought not now to be thus suddenly destroyed. Is it right, sir, to call the destruction sudden! Did not the President, so long ago as in December, 1829, give it the most emphatic warning to prepare for its final close? Has he not done so annually, from that time to the present? What, Mr. President, was the effect of that warning? The whole debt due to the Bank in December, 1829, when the first message of the President was transmitted to Congress, expressing doubts as to the constitutionality or expediency of a recharter of the Bank was, I think, about \$42,000,000, perhaps \$44,000,000, as I speak from memory, and cannot pretend to be precisely accurate. In May, 1832, this debt had increased to the enormous amount of more than \$70,000,000, thus showing a constant and rapid extension of its loans as the final termination of its charter approached. Did the Bank suppose that the grant of the monopoly to it for the period of twenty years gave it a right to expect or demand a continuance? Its constant extensions of its business as it approached the close of its chartered term would seem to indicate such an opinion; but I respectfully

submit that the reverse ought to have been its conclusion. The privileges granted to it were of immense value, and a proper sense of the justice of Congress should have induced its stockholders to believe, even if the existence of a similar bank was to be continued in the country, that they would not be made, for a second term, the exclusive recipients of this great bounty.

There is, Mr. President, said Mr. W., another view of this subject which strikes my mind with great force, and which, in my judgment, justifies the charge against the bank of a violation of one of its highest duties. The period of its existence was distinctly fixed upon the face of its charter, and it owed it to the country, as its highest duty, to prepare for that period in a manner which should enable it to go out of existence without a shock to any great national interest. The Government conferred upon this institution privileges and benefits inestimable; and, in return for that liberality, it was its duty to come into existence, to pass its prescribed term, and to meet its close, without being the cause of any convulsion in trade, or credit, or currency. The Bank was a creature of the law, and with the law it should have prepared itself to die quietly. This it has not done, but, on the contrary, as the termination of its legal existence approached, it has exerted its utmost power to strengthen its claims to a new existence. It has spread abroad its immense resources, and drawn within its vortex thousands of citizens, who, when the warning was given to it by the President to prepare for its dissolution, were free from its influence and independent of its power. It has pursued a course in direct contradiction to the dictates of interest, if it had intended to submit to the contract between it and the Government, and to terminate its existence at the prescribed limit. Do I then, said Mr. W., do injustice to the Bank when I infer that this course has been adopted to force an extension of its charter? Other motive for the admitted conduct cannot be assigned.

Still we are told that this bank must not be thus suddenly closed, because the shock given to trade and commerce, and the call upon debtors will be greater than the country can sustain, and the bill before us proposes to extend its charter for the term of six years, to enable it to close its business. Sir, did not the President give to this institution more than six years' notice, that it must close its affairs with the expiration of its present charter? Did it accept that notice and prepare itself for the event? So far from it, its business was at once extended, and, by its own acts, its final close rendered more and more difficult, without distress to the country. Grant it the time proposed by the bill before the Senate, and what assurance have we that, at the expiration of the first four years of the period, its debt will not be extended to \$100,000,000, instead of being reduced below \$55,000,000, where it now stands? A rapid curtailment has taken place for the last five months; a curtailment so rapid as to embarrass and distress the whole country and to derange all its business operations, and still the debt due to the bank is more than \$12,000,000 greater than it was in December, 1829, when the President, by his message to Congress, warned it to prepare for its final

close at the expiration of its charter. I must, Mr. President, be permitted to express my full conviction, drawn from these facts, that it is not the design of the bank to discharge its duty to the public by a quiet close of its affairs, but that, on the contrary, it is its settled purpose to force a re-existence, to over-rule the Government, coerce public opinion, and compel a re-charter.

We are told, Mr. President, by the honorable Senator that we must have a national bank, and what, sir, is the reason urged, as conclusive upon us, to establish the position? It is the existence of the present pressure upon the money market of the country said to exist, in contemplation of the winding up of the present bank. Sir, said Mr. W., this proves to me merely not that we want a bank, but that we have a bank. Whence does the distress and pressure complained of proceed? It, no doubt, has its origin in a complication of causes, among which a general system of over-trading and the change of the revenue laws are among the most important; but I cannot doubt, that by far the most powerful cause at this time in operation, is the hostile attitude which the Bank of the United States has thought it for her interest to assume towards the State banks. We have it in evidence, among the documents of Congress, upon the oath of the chief officer of the bank, Mr. Bidle himself, that that institution has the power to crush the State banks at its pleasure; that they exist by its clemency alone, and not because it has not the power to shut their doors. The evidences of a disposition to exert that power, have for the last few months, been strong and numerous. Have we not heard it predicted, Mr. President, from all sides of this Chamber, that the State banks would be compelled to stop specie payments within a short period of time? Have we not seen the Bank press calling upon the community to make runs upon those banks? Telling the poor laborer who had a five dollar note of a State bank to call and get the specie for it before it became a valueless rag in his pocket? Can these indications have been mistaken, sir! In the State which I have the honor in part to represent here, I am happy to know that they have not either been mistaken or disregarded, and I hope I may not find myself mistaken in the belief that the banks of that State are prepared to meet the blow intended for them. From the latest advices I have received, I am authorized to suppose that they have withdrawn from circulation and redeemed from \$4,000,000 to \$5,000,000 of their notes, within the last sixty or seventy days. The effect of this extensive curtailment upon the merchants, and indeed upon all classes of the community, must be severe, but self-protection and self-preservation require the course at the hands of the banks, and they have no volition. It would be madness for them not to prepare for their defence, when they are publicly told that this immense moneyed power, with \$35,000,000 of capital at command, is about to aim a deadly blow at them; when they know it has vaunted its power over them, and proved upon oath that its forbearance was the tenure by which they held their existence. The banks then cannot extend themselves while this all-powerful enemy stands

ready to take the first advantage of their exposure, and to push it to their ruin. Sir, is there any other cause for this rapid curtailment, and this close defensive position assumed by the State banks? I know of none. There can be none. There is no peculiar demand for specie growing out of the state of trade, and the condition of exchange, but, on the contrary, the reverse is, to a greater extent, true, than it has been at any former period of our history. Specie is, at this moment, abundant in the country, and its flow is to, and not from us.

I cannot, then, be mistaken when I say, that if the Bank of the U. States would cease its efforts for, and its hopes of, a re-existence, and would endeavor to perform its duty to the country, by closing its affairs with as little injury as possible to any individual or public interest, the State banks would be able to extend their loans, confidence would be restored, and the pressure upon the money market would soon cease. Apprehension, a just apprehension of the hostile movements of this great institution, is the most powerful cause of the present scarcity of money. This scarcity must exist so long as this apprehension continues. How, then, is it to be allayed, would seem to be the pertinent inquiry? The honorable Senator from Massachusetts answers us by the bill upon your table. Recharter the bank; appease the monster by prolonging its existence, and increasing its power. I say no, sir, but act promptly and refuse its wish; destroy its hope of a recharter, and you destroy its inducement to be hostile to the State institutions. A different interest, the interest of its stockholders, to wind up its affairs as profitably to themselves as possible, becomes its ruling object, and will direct its policy. The more prosperous the country, the more plenty the money of other institutions, the more easily and safely can this object be accomplished; and every hope of a continued existence being destroyed, that this will be the object of the Bank is as certain as that its moneyed interest governs a moneyed incorporation. Mr. President, this is unquestionably the opinion of the country. Look, sir, at the files of memorials upon your table, and however widely they may differ as to their views of the Bank, they all hold to you this language, "act speedily, and finally settle the question."

But we are told, sir, that the country cannot sustain the winding up of the affairs of this Bank. Is this so? What does experience teach us upon this subject? The old Bank of the United within four months of the close of its charter, was more extended in proportion to the amount of its capital than the present Bank is at this moment, and still it is almost two years to the close of its charter. The old Bank struggled as this does for a re-existence; the country was then alarmed; memorials in favor of the Bank were then, as now, piled upon the tables of the members of Congress; the cries of distress rung through these halls then, as distinctly as they now do; nay, more, gentlemen were then sent here from the commercial cities to be examined upon oath, before the committees of Congress, to prove the existence and the extent of the distress; business was then in a state of the utmost

depression in all parts of the Union; commerce was literally suspended by the restrictive measures of the government; trade was dull beyond any former example; property of all kinds was unusually depressed in price; and the country was on the eve of a war with the most powerful nation in the world. Still Congress was unmoved and the old bank was not rechartered. Such is the history of that period, and, with the final action of Congress, all knowledge of the distress ceased. Who has ever heard of disasters to the business of the country proceeding from the winding up of the old bank? I, sir, can find no trace of any such consequences. I do find that, in a period of about eighteen months after the expiration of the charter, the bank disposed of its other obligations and divided to its stockholders about eighty-eight per cent. upon their stock.

It is now admitted, on all hands, that the country is rich and prosperous in an unusual degree; property of all kinds is abundant; commerce is free and extensive and flourishing and business of every description is healthful and vigorous. If then we cannot, in this condition of things, sustain the closing of the affairs of this great moneyed incorporation, it is safe to assume that the country will never see the time when it can do it. Grant it longer life and deeper root, and in vain shall we try in future to shake it from us. It will dictate its own terms and command its own existence. Indeed, Mr. President, the whole tendency of the honorable Senator's argument seemed to me to be, to prove the necessity of a perpetual Bank of this description, and we have been repeatedly told during the debate of the last three months, that this free, and rich, and prosperous country, cannot get on without a great moneyed power of this description to regulate its affairs. The bill before the Senate proposes to repeal the monopolizing provision in the existing charter, and the honorable Senator tells us that this is to be done, that Congress may, within the six years over

which this is to extend the life of the present Bank, establish a new Bank to take its place, and into which the affairs of the old may be transferred so as to be finally closed without a shock to the country. Sir, this is not the relief I seek. My object is the entire discontinuance and eradication of this or any similar institution. We are told the distresses of the country will not permit this now. When, sir, will it ever permit it better? When will the time come that this odious institution can be finally closed with less distress than now? Never, while cupidity obeys its fixed laws.

This distress, Mr. President, did not exist when we left our homes; we heard not of it then; it commenced with the commencement of our debates here, and I doubt not it will end when our debates end, and our final action is known, whatever may be the result to which we shall arrive. It must necessarily be temporary, and it does not prove to my mind the necessity of a Bank, but the mischiefs a Bank may produce. I care not whether it be, or be not, in the power of the Bank to ameliorate the evils now complained of. That it can cause them in any manner, is proof that, if the disposition exist, it can cause them at pleasure; and this very fact is the strongest evidence to my mind, that no institution, with such a power, ought to exist in this country.

Sir, the subject of our present action involves two great principles: one of constitutional power, and one of governmental expediency. Upon neither should our action be governed solely by considerations of temporary derangement and distress in the money market. Revulsions in trade and business, and pecuniary affairs, will happen. They must be temporary; the country will restore itself, and money will again be plenty; but the settlement of important principles must involve consequences of an enduring character consequences which will exert an influence for good or for evil, through all time.

